

OREGON STATE BAR

Budget and Finance Committee

Meeting Date: February 21, 2019
 From: Keith Palevsky, Chief Financial Officer
 Subject: Client Security Fund

At the July 22nd meeting, Amber Hollister, General Counsel, noted her opinion that of the claims that are in the pipeline, best estimate is that we will have a 70% payout factor. The committee approved a \$5 increase in the Client Security Fund assessment for 2019 to \$15 total, which will provide ~ \$225K toward reserves in 2019.

In October 2018, the Bar was awarded custodianship of all files pertaining to the practice of Lori E. Deveny. As of February 11th, there are 26 claims associated with this practice, totaling \$1,364K. The "Pending" column factors in all line items at the lower of Claim Amount or \$50K cap. At an overall 100% payout for the Deveny line items, and 70% estimated payout factor across all other claims, there is a (\$932,185) deficit over and above the additional \$225K provided by the \$15 fee in 2019.

The effect of the \$932K deficit equates to an assessment of \$62 per active member.

The current Client Security Fund Status as of February 11, 2019:

		CLAIM AMT	PENDING	AGED (60 days)	AMOUNT PAID
		\$ 2,553,627.21	\$ 1,624,999.05	\$ 1,800.00	\$ 135,492.97
	Funds available for claims and indirect costs as of December 31, 2018		\$ 1,253,514.00		
	Fund Excess Surplus/(Deficit)		\$ (373,285.05)		
	Estimated Activity Payout Factor		Deveny at 100% & 70%	All line items at 70%	All line items at 50%
	Weighted \$ Amount		\$ 1,410,699.10	\$ 1,137,499.34	\$ 812,499.53
	Reserve Minimum		\$1,000,000	\$1,000,000	\$1,000,000
	Calculated Minimum Total Reserve		\$ 2,410,699.10	\$ 2,137,499.34	\$ 1,812,499.53
	Additional Reserve Needed		\$ 1,157,185.10	\$ 883,985.34	\$ 558,985.53
	2019 Assessment @ \$15/Member		\$225,000.00	\$225,000.00	\$225,000.00
	Potential Net Additional Reserve Needed		\$ 932,185.10	\$ 658,985.34	\$ 333,985.53
	Lori E. Deveny	\$ 1,364,254.98	\$ 910,665.87	\$ -	\$ -

CLAIM Year	CLAIM #	CLAIMANT	LAWYER	CLAIM AMT	PENDING	AGED (60 days)	AMOUNT PAID	INVESTIGATOR	STATUS	Lori Deveny
2014	02	Kitchen, Kimberly A.	Wood, Alan K.	\$ 3,000.00			\$	Raher	Paid by PLF	
2015	39	Boone, Charles P	Morningstar, Jonah	\$ 8,000.00			\$	Steinberg		
2016	27	Roden, Joseph (Melody Butler POA Rod)	Morningstar, Jonah	\$ 9,385.50			\$	Steinberg		
2016	36	Cruz, Lourdes	Milstein, Jeffrey S.	\$ 1,750.00			\$	Butterfield	4/12/18 ck sent \$1750	
2016	42	Heredia, Keeley	Krull, Julie	\$ 9,000.00			\$	Atwood / Dippel	11/4/17 CSF Deny 2/23/18 BOG Deny	
2017	02	McLaren Hall, Rebecca Jean	Merrill, Nick	\$ 2,500.00			\$ 1,500.00	Young	12/21/17 ck sent \$1500	
2017	04	Powell, Terry Scott	Milstein, Jeffrey S.	\$ 3,000.00	\$ 3,000.00			Taylor/Stamm		
2017	05	Schwengels-Lee, Denyse Marie	Milstein, Jeffrey S.	\$ 5,100.00			\$	Taylor/Stamm	Denied claim 09-15-2018-Appealed to BOG	
2017	07	Clymer, Joseph & Deborah	Campbell, Jefferson G. Jr	\$ 1,235.00			\$ 1,235.00	Ledgerwood		
2017	08	Jay, Sandra	Milstein, Jeffrey S.	\$ 2,730.00			\$ 2,478.00	Braun	claimant has rep	
2017	09	Tupper, Robert Thompson	Milstein, Jeffrey S.	\$ 2,100.00	\$ 1,600.00			Braun	Waiting for Paperwork	
2017	10	Frazier, Justin	Milstein, Jeffrey S.	\$ 3,000.00			\$	Stamm	Ms. Wicht (Gina) paid. Deny claimed 09-15-2018	
2017	14	Cooper, James Adam	Milstein, Jeffrey S.	\$ 11,500.00			\$ 7,500.00	Braun		
2017	15	Ashpole, Mathew Thomas	Milstein, Jeffrey S.	\$ 4,800.00			\$	Braun	Denied	
2017	16	Allen, Thomas John Robert	Milstein, Jeffrey S.	\$ 28,000.00	\$ 28,000.00			Braun		
2017	17	Torrance, Glen M	Roller, Dale	\$ 11,000.00	\$ 11,000.00			Stamm		
2017	24	Lopez-Contreras, Rosalina	Hudson, Howard	\$ 6,410.00			\$	Jones		
2017	25	Roeback, William	Roller, Dale	\$ 7,500.00	\$ 7,500.00			Stamm		
2017	26	Jacob, Avishaq	Johnson, Ron	\$ 1,300.00	\$ 1,300.00			Roy		
2017	28	Yang, Wai Thomas	Gerber, Susan R.	\$ 10,000.00			\$	Atwood	11/4/17 CSF Deny 2/23/18 BOG Deny	
2017	29	Vega-Flores, Gustavo	Coran, Theodore C	\$ 10,000.00			\$	Young	Denied claim 09-15-2018	
2017	31	Martinez, Ernesto Vazquez	Martinez, Leslie	\$ 1,800.00		\$ 1,800.00		Braun		
2017	32	Taylor, Marnie	Mitchell-Phillips, Kenneth	\$ 2,500.00			\$ 2,500.00	Braun	3/10/18 CSF approve \$1800, need good CO address	
2017	33	Niklas, Louise (Trustee: Eubanks, Anne)	Bauer, Henry L. ESTATE	\$ 24,000.00	\$ 24,000.00			Cooper		
2017	34	Dillon, Tammi lee	Smith, Robert J. ESTATE	\$ 1,500.00			\$ 1,500.00	Roy		
2017	36	Grishevich, Alex	Mitchell-Phillips, Kenneth	\$ 1,525.54			\$ 1,525.54	Braun		
2017	37	Batemann, Donald N.	Smith, Robert J. ESTATE	\$ 1,750.00			\$ 1,750.00	Roy		
2017	38	Tukhashvili, Givi N.	Vanagas, Timothy	\$ 4,000.00			\$	Young	4/9/18 atty pd client in full	
2017	39	Richman, Tommy J. and Nicole	Hall, Brett	\$ 26,000.00	\$ 26,000.00			Cooper		
2017	40	Anderson, Terri Lynn	Mitchell-Phillips, Kenneth	\$ 6,250.00			\$ 10,000.00	Braun		
2017	42	Gardner, Evan	Mitchell-Phillips, Kenneth	\$ 300.00			\$ 300.00	Braun	06/03/2018 no returned paperwork from CO	
2017	43	Sherman, Julie Annette	Smith, Robert J. ESTATE	\$ 46,110.93			\$ 46,110.93	Roy	Paid 08/02/2018	
2017	44	Zuniga, Lourevel	Mitchell-Phillips, Kenneth	\$ 4,454.00			\$ 3,500.00	Braun		
2017	45	Brown, Carol	Deveny, Lori E.	\$ 66,667.00	\$ 50,000.00			Jones		50,000.00
2017	46	Wise, Daniel Kevin	Smith, Robert J. ESTATE	\$ 2,000.00	\$ 2,000.00			Roy	05/20 deferred for more investigation	
2017	47	Smarr, Linda for James Lound Trust	Gray, Roger	\$ 2,000.00			\$ 2,000.00	Cooper		
2017	48	Yovan, Stefan Shawn	Campbell, Jefferson G. Jr	\$ 17,921.57			\$	Ledgerwood	Denied claim 09-15-2018	
2018	69	Murphy, Denelle	Howe, Nancy	\$ 4,135.00	\$ 4,135.00			Sage		
2018	79	Sims, Cody McMillen	Inhofe, Temojai	\$ 10,000.00	\$ 10,000.00					
2018	01	Gehrke, Brandy	Long, Andrew	\$ 400.00			\$	Hisey	03.21.18 withdrew	
2018	02	Frackowiak, James	Long, Andrew	\$ 3,400.00	\$ 3,400.00			Hisey		
2018	03	Evered, Andrea Burke	Johnson, Ron	\$ 3,952.50	\$ 3,952.50			Roy		
2018	04	Huebner, Jocelyn M.	Long, Andrew	\$ 200.00	\$ 200.00			Hisey		
2018	05	Grotz, David G	Long, Andrew	\$ 19,581.00	\$ 19,581.00			Hisey		
2018	06	Ho, Amy	Solomon, Glenn	\$ 4,575.00	\$ 4,575.00			Whitlock		
2018	07	Beutler, Stuart J	Long, Andrew	\$ 1,200.00			\$ 1,200.00	Hisey		
2018	08	Taffese, Aster A.	Long, Andrew	\$ 5,000.00	\$ 5,000.00			Hisey		
2018	09	Lasota, Tom	Wilson, Matthew A.	\$ 50,000.00			\$ 30,608.00	Sage		
2018	10	Clausen, Ginger Lorraine	Deveny, Lori E.	\$ 51,666.00	\$ 50,000.00			Jones		50,000.00
2018	11	Williams, Curtis	Bernstein, James E	\$ 2,000.00	\$ 2,000.00			Whitlock	atty has rep	
2018	12	Stone, Jeffrey Arlo	Long, Andrew	\$ 1,500.00	\$ 1,500.00			Hisey		
2018	13	Cleaver, Barbara	Hediger, Pamela S.	\$ 18,813.51	\$ 18,813.51			Young		
2018	14	Harris, Matthew	Long, Andrew	\$ 400.00			\$ 400.00	Hisey	pay spouse: Brandy Gehrk	
2018	15	Petersen, Robert Gary	Johnson IV, Rankin	\$ 5,000.00	\$ 5,000.00			Ledgerwood	pay Robert but send ck to James	
2018	16	Mitchell, Harold	Long, Andrew	\$ 9,000.00	\$ 9,000.00			Hisey	claimant has rep	
2018	17	Mitchell, Harold	Long, Andrew	\$ 9,000.00	\$ 9,000.00			Hisey	claimant has rep	
2018	18	McNeal, Cyndee A.	Hediger, Pamela S.	\$ 111,520.94	\$ 50,000.00			Young	claimant has rep	
2018	19	Chulim, Miguel Avila	Long, Andrew	\$ 1,640.00			\$ 2,000.00	Hisey		
2018	20	Getty, Barbara M.	Deveny, Lori E.	\$ 20,000.00	\$ 20,000.00			Jones		20,000.00
2018	21	Chavez, Patricia	Hediger, Pamela S.	\$ 1,500.00	\$ 1,500.00			Young		
2018	22	Hargarten, Gwendolyn	Hediger, Pamela S.	\$ 2,749.32	\$ 2,749.32			Young		
2018	23	Hillard, Muriel ESTATE	Hediger, Pamela S.	\$ 54,607.35	\$ 50,000.00			Young	PR - Lester Whittle	
2018	24	Jordan, Roberta	Hediger, Pamela S.	\$ 94,664.22	\$ 50,000.00			Young		
2018	25	Turner, Justin	Hediger, Pamela S.	\$ 29,511.67	\$ 29,511.67			Young		
2018	26	Whipple, Bryan	Hediger, Pamela S.	\$ 1,999.50	\$ 1,999.50			Young		
2018	27	Whittle, Lester	Hediger, Pamela S.	\$ 15,597.39	\$ 15,597.39			Young		
2018	28	Andrews, Emily Toohy	Hediger, Pamela S.	\$ 21,431.67	\$ 21,431.67			Young		
2018	29	Ngai, Stephen	Deveny, Lori E.	\$ 6,000.00	\$ 6,000.00			Jones		6,000.00
2018	30	Chavez, Aimee	Hediger, Pamela S.	\$ 7,934.93	\$ 7,934.93			Young		
2018	31	Hart, Henry Roy	Hediger, Pamela S.	\$ 70,000.00	\$ 50,000.00			Young		
2018	32	Moore, Mary	Howe, Nancy	\$ 3,500.00	\$ 3,500.00			Sage	Deanna Franco Helping with Estate	
2018	33	Brandenburg, Bruce	Ramirez, Samuel	\$ 4,550.00	\$ 4,550.00			Jones		
2018	36	Tuohy, Brenden	Logsdon, Elizabeth	\$ 1,500.00	\$ 1,500.00			Roy		
2018	37	Elmore, Elizabeth	Oatman, Marcus	\$ 50,000.00					Not CSF was trying to Malpractice	
2018	38	Kelley, Jonathan	Logsdon, Elizabeth	\$ 2,500.00	\$ 2,500.00			Roy		
2018	39	Guzman Fernandez, Teodora and Guzm	Roller, Dale	\$ 3,876.00	\$ 3,876.00			Stamm	Rep by Terry Wright	
2018	41	Fueller, Charles	Hediger, Pamela S.	\$ 18,626.55	\$ 18,626.55			Young		
2018	42	Metcalf, James	Howe, Nancy	\$ 3,500.00	\$ 3,500.00			Sage	Deanna Franco Helping with Estate	
2018	43	Brecht, Jodi	Howe, Nancy	\$ 3,300.00	\$ 3,300.00			Ledgerwood	Deanna Franco Helping with Estate	
2018	44	Kapple, Cynthia	Hediger, Pamela S.	\$ 11,993.53	\$ 11,993.53			Braun		
2018	46	Mares, John	Giles, David	\$ 2,500.00	\$ 2,500.00			Young		
2018	47	Sever, Stephen	Hediger, Pamela S.	\$ 5,590.60	\$ 5,590.60			Young		
2018	48	Vines, Alexandria	Smith, Robert J. ESTATE	\$ 500.00	\$ 500.00			Roy		
2018	49	Williams, Shannon	Long, Andrew	\$ 31,689.29	\$ 31,689.29			Hisey		
2018	50	Delaney, John	Bertoni, Gary	\$ 97,985.00	\$ 50,000.00			Thompson		
2018	51	Oliveros, Gregory	Huebner, Jocelyn M	\$ 7,800.00	\$ 7,800.00			Thompson		
2018	52	Pursel, Bonita (rep by Blerly)	Walters, Eric C	\$ 20,070.64	\$ 20,070.64			Steinberg		
2018	53	Sturm, Rebekah	Deveny, Lori E.	\$ 30,000.00	\$ 30,000.00			Jones		30,000.00
2018	54	Hamel, Kevin Mitchell	Deveny, Lori E.	\$ 99,728.00	\$ 50,000.00			Jones		50,000.00
2018	55	Hensey, Jason R	Deveny, Lori E.	\$ 50,000.00	\$ 37,500.00			Hisey		37,500.00
2018	56	Richman, Tommy J. and Nicole	Long, Andrew	\$ 1,500.00	\$ 1,500.00			Jones		
2018	57	Hilkey, Wesley L.	Goodwin, Jeffrey	\$ 5,000.00	\$ 5,000.00			Steinberg		
2018	58	Hernandez, Denise Marie	Goodwin, Jeffrey	\$ 10,000.00	\$ 10,000.00			Steinberg		
2018	59	Gangale, Matteo	Deveny, Lori E.	\$ 127,399.10	\$ 50,000.00			Jones		50,000.00
2018	60	Bertson, Erica and Norris, Cheryl	Deveny, Lori E.	\$ 50,000.00	\$ 50,000.00			Jones		50,000.00
2018	61	Shepherd, Karen A	Fachner, Ronalee	\$ 15,110.27	\$ 1,511.27			Sage		
2018	62	Lazich, Julia	Howe, Nancy	\$ 5,000.00	\$ 5,000.00			Sage		
2018	63	Brown, Bryan Keith	Goodwin, Jeffrey	\$ 5,000.00	\$ 5,000.00			Steinberg		
2018	64	Magdefrau, David	Goodwin, Jeffrey	\$ 4,227.81	\$ 4,227.81			Steinberg		
2018	65	Medley, Margaret Diane	Deveny, Lori E.	\$ 6,667.67	\$ 6,667.67			Thompson		6,667.67
2018	66	Elmore, Curtis Jay	Deveny, Lori E.	\$ 24,300.00	\$ 24,300.00			Thompson		24,300.00
2018	67	Kelly, Aleric S	Deveny, Lori E.	\$ 11,000.00	\$ 11,000.00			Thompson		11,000.00
2018	68	Kelly, Laurie Lynn	Deveny, Lori E.	\$ 20,000.00	\$ 20,000.00			Thompson		20,000.00
2018	70	Davis, Angela	Deveny, Lori E.	\$ 23,345.00	\$ 23,345.00			Ledgerwood		23,345.00
2018	71	McFarland, Angela	Deveny, Lori E.	\$ 60,000.00	\$ 50,000.00			Ledgerwood		50,000.00
2018	72	McFarland, Jaime	Deveny, Lori E.	\$ 330,000.00	\$ 50,000.00			Ledgerwood		50,000.00
2018	73	Hegwood, Jessie Suzanne	Deveny, Lori E.	\$ 50,000.00	\$ 50,000.00			Young		50,000.00
2018	74	Romero, Daniel	Deveny, Lori E.	\$ 50,000.00	\$ 50,000.00			Ledgerwood		50,000.00
2018	75	Suzlie, Katie Marie	Deveny, Lori E.	\$ 47,000.00	\$ 47,000.00			Ledgerwood		47,000.00
2018	76	Jensen, Fredrick	Petrovsky, Duane K	\$ 18,500.00	\$ 18,500.00			Whitlock		
2018	77	Stewart, Natalie	Deveny, Lori E.	\$ 6,853.20	\$ 6,853.20			Ledgerwood		\$6,853.20
2018	78	Thompson, Jerry	Deveny, Lori E.	\$ 60,000.00	\$ 50,000.00			Thompson		\$50,000.00
2018	79	McMiller-Sims, Cody	Inhofe, Temojai	\$ 10,000.00	\$ 10,000.00			Stamm		
2018	80	Hunter, Aubrey Ray	Deveny, Lori E.	\$ 50,000.00	\$ 50,000.00			Thompson		\$50,000.00
2018	81	Scurliot, Ammie	Burr, Kristine	\$ 816.00	\$ 816.00					
2018	82	Papadopoulos, Konstantinos	Deveny, Lori E.	\$ 90,000.00	\$ 50,000.00					\$50,000.00
2018	83	Minard, Rosemary	Deveny, Lori E.	\$ 7,000.00	\$ 7,000.00					\$7,000.00
2018	84	Burk, Kimberly Jo	Deveny, Lori E.	\$ 21,000.00	\$ 21,000.00					\$21,000.00
2018	85	Plank, Lorel	Deveny, Lori E.	\$ 55,629.01	\$ 50,000.00					\$50,000.00
cc Lynn Haynes on all new CSF claims				\$ 2,553,627.21	\$ 1,624,999.05	\$ 1,800.00	\$ 135,492.97			910,665.87
Funds available for claims and indirect costs as of December 31, 2018				\$ 1,253,514.00						
Fund Excess Surplus/(Deficit)				\$ (373,285.05)						
Estimated Activity Payout Factor				Deveny at 100% & 70%	All line items at 70%	All line items at 50%				
Weighted \$ Amount				\$ 1,410,699.10	\$ 1,137,499.34	\$ 812,499.53				
Reserve Minimum				\$1,000,000	\$1,000,000	\$1,000,000				